



Department of Defense

DIRECTIVE

NUMBER 7360.5
February 12, 2005

USD(C)

SUBJECT: Policies Governing Use and Disposition of Currency and Coins Under Emergency Conditions

References: (a) DoD Directive 7360.5, "Policies Governing Use and Disposition of Currency and Coins Under Emergency Conditions," April 28, 1987 (hereby canceled)
(b) Treasury Financial Manual¹, current edition
(c) DoD 7000.14-R, "DoD Financial Management Regulation," Volume 5, Chapter 18, January 2004

1. REISSUANCE AND PURPOSE

This Directive:

1.1. Reissues reference (a).

1.2. Clarifies policies covering the acquisition, use, and disposition of United States (U.S.) dollars and foreign currencies under emergency conditions and catastrophes.

2. APPLICABILITY AND SCOPE

2.1. This Directive applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the "DoD Components").

2.2. This Directive applies to all financial institutions with disbursing activities that operate on DoD installations in overseas areas.

¹ See <http://www.fms.treas.gov/fm/index.html>

3. POLICY

It is DoD policy that:

3.1. General. U.S. dollars shall be used to pay DoD military personnel and U.S. citizen DoD employees. U.S. dollars shall also be used to conduct transactions at facilities operated or controlled by U.S. Forces in overseas areas.

3.2. Currency Acquisition. The Heads of the DoD Components with overseas responsibilities shall maintain realistic contingency plans and procedures for acquiring U.S. dollars and foreign currencies to meet their anticipated overseas disbursing requirements. Such plans shall not depend on an actual repositioning of U.S. dollars or foreign currencies solely to meet contingency requirements, except as approved by the Under Secretary of Defense (Comptroller) (USD(C)).

3.3. Nothing in this Directive is intended to supersede guidance contained in the Treasury Financial Manual (reference (b)) that:

3.3.1. Limits the amount of cash that disbursing officers hold at personal risk.

3.3.2. Requires the DoD Components to regularly review such holdings to ensure that funds are commensurate with actual needs and do not exceed established limitations.

4. RESPONSIBILITIES

4.1. The Under Secretary of Defense (Comptroller) shall:

4.1.1. Establish policies governing the acquisition, use, and disposition of currencies and coins under emergency conditions contained in Volume 5, Chapter 18 of DoD 7000.14-R (reference (c)).

4.1.2. Maintain liaison with the Fiscal Assistant Secretary of the Treasury to facilitate consistency, whenever possible, with relevant procedures contained in reference (b).

4.1.3. Take final action on requests for exceptions to this Directive.

4.2. The Heads of the Overseas DoD Components shall:

4.2.1. Maintain contingency plans and standby procedures that implement this Directive and guidance promulgated by the USD(C).

4.2.2. Ensure the coordination of any theater-specific plans and standby procedures with the proper Combatant Commander and other affected DoD Components.

4.3. The Commanders of the Combatant Commands shall monitor and coordinate the application of the provisions contained in this Directive within the respective commands.

5. EFFECTIVE DATE.

This Directive is effective immediately.



Paul Wolfowitz
Deputy Secretary of Defense